

MTR CORPORATION LIMITED (地鐵有限公司)

(the "Company")
(Incorporated in Hong Kong with limited liability)
(Stock code: 66)

INTERIM DIVIDEND FOR THE SIX MONTHS ENDED 30TH JUNE, 2004 SCRIP DIVIDEND SCHEME

1. Formula for calculation of scrip dividend entitlements is set out below.
2. Reminder of deadline for receipt of scrip dividend election forms.

The Company has informed its shareholders ("Shareholders") in a document dated 13th September, 2004 (the "Scrip Dividend Document") that the Board of Directors of the Company is pleased to offer those Shareholders whose names appeared on the register of members of the Company on 3rd September, 2004, the interim dividend of HK\$0.14 per ordinary share of HK\$1.00 each of the Company (a "Share") for the six months ended 30th June, 2004 (the "2004 Interim Dividend"), and that qualifying Shareholders ("Qualifying Shareholders") may elect to receive their dividend in the form of new Shares ("New Shares") instead of the whole or part of their cash dividend.

This announcement should be read in conjunction with, and is qualified by, the Scrip Dividend Document.

As stated in the Scrip Dividend Document, a Qualifying Shareholder who elects to receive New Shares instead of some or all of his/her cash dividend, will be entitled to Shares whose total **Relevant Value** (see below) is as near as possible to the cash dividend he/she would have received in respect of the Shares for which he/she has elected to receive New Shares. The Relevant Value of a Share is the average value of the Company's Shares for the five dealing days starting from, and including, 26th August, 2004 (being the day when the Shares were first quoted ex-dividend). **Shareholders are hereby informed that the Relevant Value is HK\$12.00.**

Accordingly, the number of New Shares which a Qualifying Shareholder will receive, in respect of the existing Shares registered in his/her name on 3rd September, 2004 and for which he/she has elected to receive New Shares will be calculated as follows:

Formula:

$$\frac{\text{Number of New Shares to be received}}{\text{Number of existing Shares held on 3rd September, 2004 for which scrip election is made for the 2004 Interim Dividend}} \times \frac{\text{HK\$0.14}}{\text{HK\$12.00}}$$

The number of New Shares to be received by each Qualifying Shareholder pursuant to his/her election will be rounded down to the nearest whole number of New Shares. Fractional entitlements to New Shares will be disregarded and the benefit thereof will accrue to the Company. The New Shares issued in respect of the 2004 Interim Dividend will, when they are issued, rank *pari passu* in all respects with the existing issued Shares of the Company except that such New Shares themselves will not rank for the 2004 Interim Dividend.

Qualifying Shareholders who need to return a scrip dividend election form are reminded that they should return it to the Company's Registrar, Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong so that it is received by the Company's Registrar **not later than 4:00 p.m. on 30th September, 2004.**

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Hong Kong Stock Exchange granting listing of, and permission to deal in, the New Shares to be issued in respect of the 2004 Interim Dividend. Application has been made to the Listing Committee of the Hong Kong Stock Exchange for listing of, and permission to deal in, the New Shares.

Share certificates for the New Shares and cheques for cash entitlements will be despatched to Shareholders at their own risk on or about 28th October, 2004.

By Order of the Board
Leonard Bryan Turk
Secretary

Hong Kong, 22nd September, 2004

Members of the Board: Dr. Raymond Ch'ien Kuo-fung (*Chairman*)**, Chow Chung-kong (*Chief Executive Officer*), Professor Cheung Yau-kai*, David Gordon Eldon*, T. Brian Stevenson*, Edward Ho Sing-tin*, Lo Chung-hing*, Christine Fang Meng-sang*, Frederick Ma Si-hang (*Secretary for Financial Services and the Treasury*)**, Secretary for the Environment, Transport and Works (Dr. Sarah Liao Sau-tung)** and Commissioner for Transport (Robert Charles Law Footman)**

Members of the Executive Directorate: Chow Chung-kong, Russell John Black, William Chan Fu-keung, Philip Gaffney, Thomas Ho Hang-kwong, Lincoln Leong Kwok-kuen and Leonard Bryan Turk

* independent non-executive directors

** non-executive directors

